

**ORRICK, HERRINGTON  
& SUTCLIFFE LLP**

RECORDATION NO. 20281-EFG

FILED 147R

NOV 20 1996

9 13 AM

November 18, 1996

Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
Twelfth Street & Constitution Avenue, N.W.  
Washington, DC 20423

NOV 20 9 12 AM '96

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

Re: Nova Chemicals, Inc.  
Leveraged Lease Financing of Railroad Rolling Stock

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two copies of each of the three secondary documents described below. As one of the attorneys representing the Lessee in this transaction, I have knowledge of the matters described in this letter.

The secondary documents are as follows:

- (1) Lease Supplement No. 2, dated as of November 20, 1996, between Fleet National Bank, as owner trustee (the "Lessor"), and Nova Chemicals Inc., as lessee (the "Lessee");
- (2) Indenture Supplement No. 2, dated as of November 20, 1996, between the Lessor and The First National Bank of Chicago, as indenture trustee (the "Indenture Trustee"); and
- (3) Bill of Sale, dated November 20, 1996, from Nova RL Inc., as seller (the "Seller") to the Lessor.

The primary documents to which the Lease Supplement No. 2, the Indenture Supplement No. 2 and the Bill of Sale are connected are as follows:

(1) Equipment Lease Agreement, dated as of September 27, 1996, between the Lessor and the Lessee, recorded on September 27, 1996, at 2:10 p.m. under Recordation Number 20281; and

(2) Trust Indenture and Security Agreement, dated as of September 27, 1996, between the Lessor and the Indenture Trustee recorded on September 27, 1996 at 2:10 p.m. under Recordation Number 20281-B.

The names and addresses of the parties to the enclosed documents are as follows:

**LEASE SUPPLEMENT NO. 2**

**Lessee:** Nova Chemicals Inc.  
690 Mechanic Street  
Leominster, Massachusetts 01453

**Lessor:** Fleet National Bank  
777 Main Street  
Hartford, Connecticut 06115

**INDENTURE SUPPLEMENT NO. 2**

**Lessor:** Fleet National Bank  
777 Main Street  
Hartford, Connecticut 06115

**Indenture Trustee:** The First National Bank of Chicago  
One First National Plaza, Suite 0126  
Chicago, Illinois 60670-0126

**BILL OF SALE**

**Seller:** Nova RL Inc.  
690 Mechanic Street  
Leominster, Massachusetts 01453

The description of the Equipment covered as of the date hereof by the aforesaid Lease Supplement No. 2, Indenture Supplement No. 2 and Bill of Sale is as set forth on Exhibit A hereto.

A fee of sixty-six dollars (\$66.00) is enclosed. Please time and date stamp the enclosed copy of each of the enclosed documents along with the extra copy of this letter as proof of filing and recordation of the enclosed documents and return the original and any extra copies of such documents and this letter not needed by the Board for recordation to:

Mark Davis, Esq.  
Orrick, Herrington & Sutcliffe LLP  
400 Sansome Street  
San Francisco, California 94111

A short summary of each of the documents to appear in the index follows:

(1) LEASE SUPPLEMENT NO. 2:

Lease Supplement No. 2 between Fleet National Bank, as Lessor, 777 Main Street, Hartford, Connecticut 06115 and Nova Chemicals Inc., as Lessee, 690 Mechanic Street, Leominster, Massachusetts 01453, dated as of November 20, 1996, covering new railroad rolling stock bearing the road numbers listed in the Schedule thereto. Lease Supplement No. 2 is related to the Equipment Lease Agreement between the Lessor and the Lessee dated as of September 27, 1996, which was previously filed.

(2) INDENTURE SUPPLEMENT NO. 2:

Indenture Supplement No. 2 between Fleet National Bank, as Lessor, 777 Main Street, Hartford, Connecticut 06115 and The First National Bank of Chicago, as Indenture Trustee, One First National Plaza, Suite 0126, Chicago, Illinois 60670-0126, dated as of November 20, 1996, covering the obligations of the Lessor and the Lessee relating to new railroad rolling stock bearing road numbers listed in the Schedule thereto. The Indenture Supplement No. 2 is related to the Trust Indenture and Security Agreement between Lessor and the Indenture Trustee, dated as of September 27, 1996, which was previously filed.

(3) BILL OF SALE:

Bill of Sale from Nova RL Inc., as Seller, 690 Mechanic Street, Leominster, Massachusetts 01453, to Fleet National Bank, as Lessor, 777 Main Street, Hartford, Connecticut 06115, dated November 20, 1996, covering new railroad rolling stock bearing the road numbers listed in the Schedule thereto. The Bill of Sale is related to the Equipment

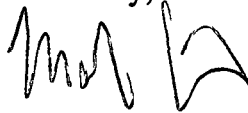
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**ORRICK, HERRINGTON  
& SUTCLIFFE LLP**

Lease Agreement, dated as of September 27, 1996, and the Lease Supplement No. 2, dated as of November 20, 1996, each between the Lessor and the Lessee, and to the Trust Indenture and Security Agreement, dated as of September 27, 1996, and the Indenture Supplement No. 2, dated as of November 20, 1996, each between the Lessor and the Indenture Trustee.

If you have any questions or need further information, please do not hesitate to contact the undersigned (415-392-1122).

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Davis', with a stylized flourish at the end.

Mark Davis

**EXHIBIT A**

| <u>Equipment</u>                       | <u>Quantity</u> | <u>Road Numbers</u>  |
|--|-----------------|--|
| 5810 Cubic Foot<br>Covered Hopper Cars | 168             | NCIX000702, NCIX000723, NCIX000729<br>and<br>NCIX000747 through NCIX000911, inclusive. |

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C. 20423-0001


11/20/96

Mark Davis  
Orrick, Herrington & Sutcliffe LLP  
400 Sansome Street  
San Francisco, CA., 94111

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/20/96 at 9:15AM, and assigned recordation number(s). 20281-E, 20281-F and 20281-G.

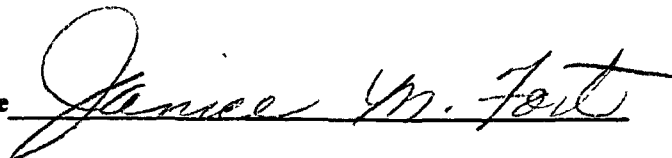
Sincerely yours,

  
Vernon A. Williams  
Secretary

Enclosure(s)

\$ 66.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



LEASE SUPPLEMENT NO. 2

RECORDATION NO. 20281-E FILED 1426

Dated as of November 20, 1996

NOV 20 1996 15 AM

Between

FLEET NATIONAL BANK,  
not in its individual capacity  
but solely as Owner Trustee,  
Lessor,

and

NOVA CHEMICALS INC.,  
Lessee

Railroad Equipment

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The right, title and interest of Lessor under this Lease Supplement and certain of the Rent due and to become due under the Lease have been assigned as collateral security to and are subject to a security interest in favor of The First National Bank of Chicago, as Indenture Trustee under a Trust Indenture and Security Agreement dated as of September 27, 1996, between said Indenture Trustee, as secured party, and Lessor, as debtor. Information concerning such security interest may be obtained from Indenture Trustee at its address provided for in Section 15.2 of the Lease. As further described in Section 23.10 of the Lease, to the extent, if any, that this Lease Supplement constitutes chattel paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest in this Lease Supplement may be created through the transfer or possession of any counterpart other than Counterpart Number 1. This is not Counterpart Number 1.

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This Lease Supplement No. 2 was filed with the Surface Transportation Board on November 20, 1996, at \_\_\_\_\_ Recordation No. \_\_\_\_\_, and deposited in the office of the Registrar General of Canada pursuant to Section 105 of the Canada Transportation Act on November 20, 1996, at \_\_\_\_\_.

## **LEASE SUPPLEMENT NO. 2**

This **LEASE SUPPLEMENT NO. 2** dated as of November 20, 1996 between **FLEET NATIONAL BANK**, a national banking association, not in its individual capacity but solely as Owner Trustee under the Trust Agreement ("Lessor"), and **NOVA CHEMICALS INC.**, a Delaware corporation ("Lessee"),

### **W I T N E S S E T H:**

WHEREAS, the Lessor and the Lessee have heretofore entered into that certain Equipment Lease Agreement dated as of September 27, 1996 (the "Lease"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings specified in the Lease;

WHEREAS, the Lease provides for the execution and delivery of a Lease Supplement substantially in the form hereof for the purpose of confirming the acceptance and lease of the Units under the Lease in accordance with the terms thereof;

NOW, THEREFORE, in consideration of the premises and other good and sufficient consideration, the Lessor and the Lessee hereby agree as follows:

1. The Lessee hereby acknowledges and confirms that it has inspected and approved the Units set forth on Schedule I hereto and, as between Lessor and Lessee, such Units comply in all material respects with the specifications for such Units and are in good working order.

2. The Lessor hereby confirms delivery and lease to the Lessee, and the Lessee hereby confirms acceptance and lease from Lessor, under the Lease as hereby supplemented, of the Units listed on Schedule I hereto.

3. Effective as of the date hereof, the Lease is hereby amended as follows:

(a) Schedules B, C and E to the Lease are amended by (i) deleting the text "[INTENTIONALLY LEFT BLANK]" from the end of each of Schedules B, C and E to the Lease and (ii) adding the text on Schedules B, C and E hereto to the end of Schedules B, C and E to the Lease, respectively.

(b) Schedule D to the Lease is amended and restated in its entirety as set forth in Schedule D hereto.

(c) Section 5.1 of the Lease is amended by deleting the period at the end of the last sentence thereof and by adding the following text to the end of such sentence:



"; provided, however, that the Basic Rent Payment due on March 27, 1997 with respect to Units delivered on the second Closing Date shall be allocated for tax purposes over the period commencing on such Closing Date and ending on such Rent Payment Date."

4. The Lessee hereby represents and warrants that no Casualty Occurrence has occurred with respect to the Units set forth on Schedule I hereto as of the date hereof.

5. The Closing Date of the Units described above is the date of this Lease Supplement set forth in the opening paragraph hereof.

6. The aggregate Lessor's Cost of the Units leased hereunder and the amounts comprising such Lessor's Cost are set forth on Schedule I hereto. The Casualty Loss Values, Termination Values and Early Purchase Option Price applicable to the Units are set forth in the Lease.

7. Lessee hereby confirms its agreement, in accordance with the Lease as supplemented by this Lease Supplement, to pay Rent to Lessor for each Unit leased hereunder as provided for in the Lease.

8. The execution and delivery of this Lease Supplement will in no way relieve or decrease the responsibility of any manufacturer for the warranties it has made with respect to any Unit.

9. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Lease Supplement may refer to the "Equipment Lease Agreement dated as of September 27, 1996", or may identify the Lease in any other respect without making specific reference to this Lease Supplement, but nevertheless all such references shall be deemed to include this Lease Supplement, unless the context otherwise requires.

10. This Lease Supplement shall be construed in connection with and as part of the Lease, and all terms, conditions and covenants contained in the Lease, as supplemented by this Lease Supplement, shall be and remain in full force and effect.

11. This Lease Supplement may be executed in any number of counterparts, each executed counterpart constituting an original but all together one and the same instrument.


12. This Lease Supplement shall in all respect be governed by, and construed in accordance with, the laws of the State of New York, including all matters of construction, validity and performance.

IN WITNESS WHEREOF, the parties have duly executed this Lease Supplement No. 2 as of the date first above written.

**LESSOR:**

FLEET NATIONAL BANK, not in its individual capacity but solely as Owner Trustee

By

  
Name: MARK A. FORGETTA  
Title: VICE PRESIDENT

**LESSEE:**

NOVA CHEMICALS INC.

By

\_\_\_\_\_  
Name:  
Title:

**INDENTURE TRUSTEE'S ACKNOWLEDGMENT**

Indenture Trustee hereby acknowledges receipt of this Counterpart Number 1 of the Lease Supplement No. 2.

THE FIRST NATIONAL BANK OF CHICAGO,  
as Indenture Trustee

By

\_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties have duly executed this Lease Supplement No. 2 as of the date first above written.

**LESSOR:**

FLEET NATIONAL BANK, not in its individual capacity but solely as Owner Trustee

By \_\_\_\_\_  
Name:  
Title:

**LESSEE:**

NOVA CHEMICALS INC.  
By \_\_\_\_\_  
Name:  
Title:

**INDENTURE TRUSTEE'S ACKNOWLEDGMENT**

Indenture Trustee hereby acknowledges receipt of this Counterpart Number 1 of the Lease Supplement No. 2.

THE FIRST NATIONAL BANK OF CHICAGO,  
as Indenture Trustee

By \_\_\_\_\_  
Name:  
Title:

## ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF Connecticut )  
 )  
COUNTY OF Hartford )

On November 13, 1996 before me, Melissa A. DuMont, Notary Public  
Date Name and Title of Officer (i.e., Your Name,  
Notary Public)

personally appeared MARK A. FORGETTA  
Name(s) of Document Signer(s)

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Melissa A. DuMont  
Signature of Notary

**MELISSA A. DuMONT**  
**NOTARY PUBLIC**  
**MY COMMISSION EXPIRES AUG. 31, 2001**

**MELISSA A. DuMONT**  
**NOTARY PUBLIC**  
**MY COMMISSION EXPIRES AUG. 31, 2001**

## ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF MASSACHUSETTS )  
COUNTY OF WORCESTER )

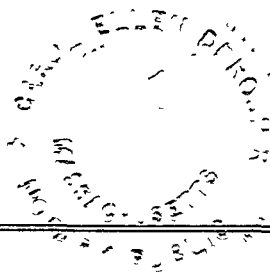
On November 18/1996 before me, Carol Ellen Derosier, Notary Public  
Date Name and Title of Officer (i.e., Your Name,  
Notary Public)

personally appeared David Carpenter  
Name(s) of Document Signer(s)

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Carol Ellen Derosier  
Signature of Notary  
My Commission Expires  
7-31-2003



Schedule I to  
Lease Supplement No. 2

DESCRIPTION OF EQUIPMENT

| <u>Related<br/>Closing Date</u> | <u>Number<br/>of Units</u> | <u>Size and<br/>Type of<br/>Equipment</u> | <u>Manufacturer</u>           | <u>Reporting<br/>Marks</u>  | <u>Lessor's<br/>Cost<br/>Per Unit</u> |
|---------------------------------|----------------------------|---|-------------------------------|---|---------------------------------------|
| November 20, 1996               | 168                        | 5810 Cubic Foot<br>Covered Hopper Cars    | National Steel<br>Car Limited | NCIX000702, NCIX000723, NCIX000729 and<br>NCIX000747 through NCIX000911, inclusive. | \$68,000                              |

**SCHEDULE B**

**EQUIPMENT LEASE AGREEMENT**

**RENT FACTORS**

**(percentage of Lessor's Cost)**

**(For Units with a Closing Date after September 30, 1996)**

**[INTENTIONALLY LEFT BLANK]**

**SCHEDULE C**

**EQUIPMENT LEASE AGREEMENT  
TERMINATION VALUES**

**(percentage of Lessor's Cost)**

**(For Units with a Closing Date after September 30, 1996)**

**[INTENTIONALLY LEFT BLANK]**



**SCHEDULE D**

**EQUIPMENT LEASE AGREEMENT**  
**PRICING ASSUMPTIONS**

**[INTENTIONALLY LEFT BLANK]**

**SCHEDULE E**

**EQUIPMENT LEASE AGREEMENT**

**CASUALTY LOSS VALUES**

**(percentage of Lessor's Cost)**

**(For Units with a Closing Date after September 30, 1996)**

**[INTENTIONALLY LEFT BLANK]**